

Style Index Strategy

This strategy uses a six month relative strength report and rotates every other week. Current holdings must be in the top half of the report. The strategy is featured in the book, *Exchange Traded Profits: Cashing in on new ETF trading methods*.

Percentage Returns

| <u>Year</u> | <u>ETF Trading</u> | <u>S&P 500 Index</u> |
|-------------|--------------------|--------------------------|
| 1998 | 41.80 | 26.67 |
| 1999 | 61.73 | 19.53 |
| 2000 | -2.25 | -10.14 |
| 2001 | -3.09 | -13.04 |
| 2002 | -14.90 | -23.37 |
| 2003 | 43.43 | 26.38 |
| 2004 | 12.08 | 8.99 |
| 2005 | -1.89 | 3.00 |
| 2006 | 13.28 | 13.62 |
| 2007 | 6.77 | 3.53 |
| 2008 | -41.00 | -38.49 |
| 2009 | 21.29 | 23.45 |
| 2010 | 16.97 | 12.78 |
| 2011 | -4.51 | -0.01 |
| 2012 | <u>11.01</u> | <u>12.00</u> |
| ARO | 8.33 | 2.65 |

*Through 03/31/12

10 Round Trip Trades per year. Average holding period of 72 days

Assumptions

The ETFs used in this backtest was IVE, SPY, QQQQ, MDY, IWM, IJS, IJT

There are many assumptions to our tests. The percentage returns represent a hypothetical back test, instead of actual performance. The back test's returns and other figures have not been audited but are based upon information obtained from public sources believed to be reliable. Since no funds were managed using the strategies during this period, the impact that economic and market factors might have had on the trading cannot be represented.

The strategies are managed with a view toward capital appreciation with risk levels greater than the S&P 500. In the style index testing, many of the ETFs were not yet available to purchase at the beginning date of the back test. When the ETF wasn't available, the back test used the ETF's benchmark index as a substitute. The back test used price data from the actual ETFs once they became available.

As with any strategy, **past performance does not guarantee future results or that losses will not occur.**

Individual Trades

| <u>Ticker</u> | <u>Segment</u> | <u>Buy Date</u> | <u>Sell Date</u> | <u>% Change</u> | <u>Days Held</u> |
|---------------|------------------|-----------------|------------------|-----------------|------------------|
| IJT | Small Cap Growth | 12/31/1997 | 4/24/1998 | 11.34 | 114 |
| IVE | Large Cap Value | 12/31/1997 | 1/30/1998 | -1.33 | 30 |
| MDY | Mid Cap Index | 1/30/1998 | 2/13/1998 | 4.96 | 14 |
| QQQQ | Large Cap Growth | 2/13/1998 | 3/13/1998 | 2.88 | 28 |
| MDY | Mid Cap Index | 3/13/1998 | 3/27/1998 | 0.91 | 14 |
| SPY | Large Cap Index | 3/27/1998 | 5/7/1999 | 23.15 | 406 |
| QQQQ | Large Cap Growth | 4/24/1998 | 5/5/2000 | 192.52 | 742 |
| IVE | Large Cap Value | 5/7/1999 | 5/21/1999 | -1.42 | 14 |
| IWM | Small Cap Index | 5/21/1999 | 7/2/1999 | 1.65 | 42 |
| SPY | Large Cap Index | 7/2/1999 | 7/16/1999 | 1.73 | 14 |
| IJT | Small Cap Growth | 7/16/1999 | 10/22/1999 | -49.88 | 98 |
| IJS | Small Cap Value | 10/22/1999 | 4/20/2000 | 109.94 | 181 |
| IVE | Large Cap Value | 4/20/2000 | 5/5/2000 | -1.25 | 15 |
| IJS | Small Cap Value | 5/5/2000 | 7/28/2000 | -4.06 | 84 |
| MDY | Mid Cap Index | 5/5/2000 | 6/30/2000 | -0.76 | 56 |
| QQQQ | Large Cap Growth | 6/30/2000 | 7/28/2000 | -6.97 | 28 |
| IJT | Small Cap Growth | 7/28/2000 | 10/5/2001 | -14.38 | 434 |
| MDY | Mid Cap Index | 7/28/2000 | 1/26/2001 | 7.20 | 182 |
| IVE | Large Cap Value | 1/26/2001 | 2/23/2001 | -5.32 | 28 |
| MDY | Mid Cap Index | 2/23/2001 | 3/23/2001 | -8.40 | 28 |
| IVE | Large Cap Value | 3/23/2001 | 5/18/2001 | 12.17 | 56 |
| MDY | Mid Cap Index | 5/18/2001 | 6/29/2001 | -2.56 | 42 |
| IWM | Small Cap Index | 6/29/2001 | 7/27/2001 | -5.30 | 28 |
| MDY | Mid Cap Index | 7/27/2001 | 10/19/2001 | -12.23 | 84 |
| IJS | Small Cap Value | 10/5/2001 | 11/16/2001 | 7.89 | 42 |
| IJT | Small Cap Growth | 10/19/2001 | 8/9/2002 | -6.28 | 294 |
| QQQQ | Large Cap Growth | 11/16/2001 | 12/28/2001 | 2.44 | 42 |
| IWM | Small Cap Index | 12/28/2001 | 1/25/2002 | -2.78 | 28 |
| IJS | Small Cap Value | 1/25/2002 | 2/8/2002 | -1.85 | 14 |
| MDY | Mid Cap Index | 2/8/2002 | 4/5/2002 | 6.26 | 56 |
| IWM | Small Cap Index | 4/5/2002 | 5/31/2002 | -2.62 | 56 |
| MDY | Mid Cap Index | 5/31/2002 | 10/18/2002 | -20.09 | 140 |
| IVE | Large Cap Value | 8/9/2002 | 8/23/2002 | 3.35 | 14 |
| IJS | Small Cap Value | 8/23/2002 | 11/1/2002 | -5.81 | 70 |
| QQQQ | Large Cap Growth | 10/18/2002 | 5/2/2003 | 18.77 | 196 |
| IVE | Large Cap Value | 11/1/2002 | 11/29/2002 | 4.28 | 28 |
| IWM | Small Cap Index | 11/29/2002 | 12/13/2002 | -4.63 | 14 |
| IVE | Large Cap Value | 12/13/2002 | 12/27/2002 | -1.23 | 14 |
| MDY | Mid Cap Index | 12/27/2002 | 1/10/2003 | 4.32 | 14 |
| IVE | Large Cap Value | 1/10/2003 | 2/7/2003 | -11.13 | 28 |
| MDY | Mid Cap Index | 2/7/2003 | 2/21/2003 | 1.03 | 14 |
| SPY | Large Cap Index | 2/21/2003 | 4/4/2003 | 3.57 | 42 |
| IWM | Small Cap Index | 4/4/2003 | 2/20/2004 | 55.07 | 322 |
| IJT | Small Cap Growth | 5/2/2003 | 5/16/2003 | 0.18 | 14 |
| IVE | Large Cap Value | 5/16/2003 | 5/30/2003 | 3.44 | 14 |
| QQQQ | Large Cap Growth | 5/30/2003 | 6/27/2003 | 0.13 | 28 |
| IJT | Small Cap Growth | 6/27/2003 | 7/11/2003 | 4.52 | 14 |
| QQQQ | Large Cap Growth | 7/11/2003 | 8/8/2003 | -5.56 | 28 |
| IJS | Small Cap Value | 8/8/2003 | 2/16/2004 | 27.44 | 192 |
| IJT | Small Cap Growth | 2/16/2004 | 3/5/2004 | 0.78 | 18 |
| IVE | Large Cap Value | 2/20/2004 | 4/2/2004 | 0.60 | 42 |
| IJS | Small Cap Value | 3/5/2004 | 6/10/2004 | -2.56 | 97 |
| IWM | Small Cap Index | 4/2/2004 | 4/30/2004 | -7.71 | 28 |

| <u>Ticker</u> | <u>Segment</u> | <u>Buy Date</u> | <u>Sell Date</u> | <u>% Change</u> | <u>Days Held</u> |
|---------------|------------------|-----------------|------------------|-----------------|------------------|
| IJT | Small Cap Growth | 4/30/2004 | 5/14/2004 | -2.55 | 14 |
| SPY | Large Cap Index | 5/14/2004 | 5/28/2004 | 2.56 | 14 |
| IJT | Small Cap Growth | 5/28/2004 | 7/23/2004 | -3.71 | 56 |
| SPY | Large Cap Index | 6/10/2004 | 6/25/2004 | -0.45 | 15 |
| IJS | Small Cap Value | 6/25/2004 | 1/7/2005 | 5.93 | 196 |
| IVE | Large Cap Value | 7/23/2004 | 10/1/2004 | 6.03 | 70 |
| IWM | Small Cap Index | 10/1/2004 | 10/15/2004 | -2.66 | 14 |
| IJT | Small Cap Growth | 10/15/2004 | 12/10/2004 | 10.31 | 56 |
| IWM | Small Cap Index | 12/10/2004 | 2/18/2005 | -0.51 | 70 |
| IVE | Large Cap Value | 1/7/2005 | 1/21/2005 | -1.61 | 14 |
| IJT | Small Cap Growth | 1/21/2005 | 4/29/2005 | -3.85 | 98 |
| MDY | Mid Cap Index | 2/18/2005 | 7/8/2005 | 6.06 | 140 |
| SPY | Large Cap Index | 4/29/2005 | 5/27/2005 | 3.89 | 28 |
| IJT | Small Cap Growth | 5/27/2005 | 7/22/2005 | 7.93 | 56 |
| IJS | Small Cap Value | 7/8/2005 | 8/19/2005 | -1.19 | 42 |
| IWM | Small Cap Index | 7/22/2005 | 8/5/2005 | -2.01 | 14 |
| QQQQ | Large Cap Growth | 8/5/2005 | 9/2/2005 | -1.80 | 28 |
| MDY | Mid Cap Index | 8/19/2005 | 9/16/2005 | 1.17 | 28 |
| IWM | Small Cap Index | 9/2/2005 | 10/28/2005 | -4.70 | 56 |
| QQQQ | Large Cap Growth | 9/16/2005 | 9/30/2005 | 0.15 | 14 |
| IJT | Small Cap Growth | 9/30/2005 | 10/28/2005 | -5.25 | 28 |
| IVE | Large Cap Value | 10/28/2005 | 11/11/2005 | 3.15 | 14 |
| QQQQ | Large Cap Growth | 10/28/2005 | 1/20/2006 | 7.65 | 84 |
| IWM | Small Cap Index | 11/11/2005 | 11/25/2005 | 2.43 | 14 |
| MDY | Mid Cap Index | 11/25/2005 | 12/9/2005 | 0.36 | 14 |
| IJT | Small Cap Growth | 12/9/2005 | 1/6/2006 | 0.54 | 28 |
| MDY | Mid Cap Index | 1/6/2006 | 2/3/2006 | 1.21 | 28 |
| IWM | Small Cap Index | 1/20/2006 | 5/12/2006 | 4.94 | 112 |
| IJS | Small Cap Value | 2/3/2006 | 9/15/2006 | 2.42 | 224 |
| IVE | Large Cap Value | 5/12/2006 | 11/24/2006 | 8.07 | 196 |
| SPY | Large Cap Index | 9/15/2006 | 11/10/2006 | 4.81 | 56 |
| QQQQ | Large Cap Growth | 11/10/2006 | 2/2/2007 | 2.63 | 84 |
| IWM | Small Cap Index | 11/24/2006 | 12/22/2006 | -1.71 | 28 |
| IVE | Large Cap Value | 12/22/2006 | 2/2/2007 | 3.24 | 42 |
| IJS | Small Cap Value | 2/2/2007 | 2/16/2007 | 0.78 | 14 |
| IWM | Small Cap Index | 2/2/2007 | 2/16/2007 | 1.08 | 14 |
| IJT | Small Cap Growth | 2/16/2007 | 5/25/2007 | 4.77 | 98 |
| MDY | Mid Cap Index | 2/16/2007 | 8/3/2007 | -1.98 | 168 |
| IVE | Large Cap Value | 5/25/2007 | 6/8/2007 | -0.93 | 14 |
| IJT | Small Cap Growth | 6/8/2007 | 9/28/2007 | 1.74 | 112 |
| QQQQ | Large Cap Growth | 8/3/2007 | 2/1/2008 | -3.84 | 182 |
| SPY | Large Cap Index | 9/28/2007 | 2/1/2008 | -8.52 | 126 |
| IJS | Small Cap Value | 2/1/2008 | 2/15/2008 | -4.09 | 14 |
| MDY | Mid Cap Index | 2/1/2008 | 8/15/2008 | 0.15 | 196 |
| IVE | Large Cap Index | 2/15/2008 | 2/29/2008 | -2.38 | 14 |
| IJS | Small Cap Value | 2/29/2008 | 3/28/2008 | -0.43 | 28 |
| SPY | Large Cap Index | 3/28/2008 | 4/25/2008 | 6.09 | 28 |
| IJT | Small Cap Growth | 4/25/2008 | 5/9/2008 | -0.28 | 14 |
| QQQQ | Large Cap Growth | 5/9/2008 | 6/6/2008 | 1.70 | 28 |
| IJT | Small Cap Growth | 6/6/2008 | 11/7/2008 | -32.61 | 154 |
| IWM | Small Cap Index | 8/15/2008 | 11/21/2008 | -45.89 | 98 |
| IJS | Small Cap Value | 11/7/2008 | 1/30/2009 | -14.30 | 84 |
| SPY | S&P 500 | 11/21/2008 | 12/19/2008 | 11.02 | 28 |
| IWM | Small Cap Index | 12/19/2008 | 1/30/2009 | -8.63 | 42 |
| MDY | Mid Cap Index | 1/30/2009 | 6/5/2009 | 19.72 | 126 |

| <u>Ticker</u> | <u>Segment</u> | <u>Buy Date</u> | <u>Sell Date</u> | <u>% Change</u> | <u>Days Held</u> |
|---------------|------------------|-----------------|------------------|-----------------|------------------|
| QQQQ | Large Cap Growth | 1/30/2009 | 5/8/2009 | 17.79 | 98 |
| IJS | Small Cap Value | 5/8/2009 | 5/22/2009 | -8.42 | 14 |
| QQQQ | Large Cap Growth | 5/22/2009 | 8/14/2009 | 18.16 | 84 |
| IWM | Small Cap Index | 6/5/2009 | 7/2/2009 | -6.18 | 27 |
| IJT | Small Cap Growth | 7/2/2009 | 8/14/2009 | 11.37 | 43 |
| IJS | Small Cap Value | 8/14/2009 | 10/9/2009 | 7.22 | 56 |
| MDY | Mid Cap Index | 8/14/2009 | 9/25/2009 | 4.90 | 42 |
| IWM | Small Cap Index | 9/25/2009 | 10/23/2009 | 0.38 | 28 |
| MDY | Mid Cap Index | 10/9/2009 | 11/20/2009 | -1.86 | 42 |
| QQQQ | Large Cap Growth | 10/23/2009 | 12/31/2009 | 6.07 | 69 |
| SPY | Large Cap Index | 11/20/2009 | 12/18/2009 | 0.71 | 28 |
| IJS | Small Cap Value | 12/18/2009 | 2/12/2010 | -0.21 | 56 |
| MDY | Mid Cap Index | 12/31/2009 | 3/26/2010 | 8.28 | 85 |
| QQQQ | Large Cap Growth | 2/12/2010 | 2/26/2010 | 2.29 | 14 |
| IJS | Small Cap Value | 2/26/2010 | 6/18/2010 | 4.60 | 112 |
| IJT | Large Cap Growth | 3/26/2010 | 4/9/2010 | 2.56 | 14 |
| IWM | Small Cap Index | 4/9/2010 | 7/2/2010 | -14.85 | 84 |
| IJT | Small Cap Growth | 6/18/2010 | 8/13/2010 | -7.86 | 56 |
| MDY | Mid Cap Index | 7/2/2010 | 7/30/2010 | 8.29 | 28 |
| IJS | Small Cap Value | 7/30/2010 | 8/13/2010 | -6.29 | 14 |
| MDY | Mid Cap Index | 8/13/2010 | 10/8/2010 | 10.28 | 56 |
| QQQQ | Large Cap Growth | 8/13/2010 | 8/27/2010 | -1.45 | 14 |
| IJT | Small-Cap Growth | 8/27/2010 | 9/10/2010 | 2.42 | 14 |
| QQQQ | Large-Cap Growth | 9/10/2010 | 12/3/2010 | 15.60 | 84 |
| IJT | Small Cap Growth | 10/8/2010 | 10/21/2011 | 10.95 | 378 |
| MDY | Mid Cap Index | 12/3/2010 | 12/23/2010 | 2.56 | 20 |
| IWM | Small Cap Index | 12/23/2010 | 1/28/2011 | -1.66 | 36 |
| QQQQ | Large Cap Growth | 1/28/2011 | 2/11/2011 | 4.86 | 14 |
| IWM | Small Cap Index | 2/11/2011 | 5/20/2011 | 0.96 | 98 |
| MDY | Mid Cap Index | 5/20/2011 | 7/15/2011 | -1.19 | 56 |
| IWM | Small Cap Index | 7/15/2011 | 8/12/2011 | -15.72 | 28 |
| QQQ | Large Cap Growth | 8/12/2011 | 12/30/2011 | 4.22 | 140 |
| SPY | Large Cap Index | 10/21/2011 | 11/4/2011 | 1.19 | 14 |
| IJS | Small Cap Value | 11/4/2011 | | | |
| IVE | Large Cap Value | 12/30/2011 | 1/27/2012 | 5.45 | 28 |
| IWM | Small Cap Index | 1/27/2012 | 3/9/2012 | 2.36 | 42 |
| QQQ | Large Cap Growth | 3/9/2012 | | | |